

MONEY, POLITICS, AND LOCAL NEWS: POLITICAL  
ADVERTISING'S IMPACT ON BROADCAST TELEVISION  
NEWS

by

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Traditional news outlets are struggling to find a place in the new technology climate, and yet most presidential campaigns still choose to spend the majority of their budget on television advertisement spots that air during news shows. It is crucial to analyze not only the way the media affects our politics, but also how politics and the money spent on campaigning influences the media.

Presidential campaign advertising financially impacts the television broadcast news industry, and this impact is shifting as laws and technology evolve. This shift can be attributed to FCC regulations such as the lowest unit rate and the equal air time rule, the rise of super PACs and dark money groups, new strategies to combat the crowding out of local advertisers, and the strive to keep journalistic integrity by separating the business and the newsroom.

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## **Introduction**

Does money affect our perception of politics, and how do politics and financial influence affect our consumption of the news? Journalism is essential as a part of the checks and balances of the United States Government, acting as a watchdog for corruption and a way to spread knowledge. The industry is at a turning point in 2016 in how the news and investigative journalism will continue to be funded because technological advances are continuing to shape the way we access information, and what consumers expect from the media.

Initially, I set out to research corporate donations, specifically those of big media companies, to political action committees and how media conglomerates' messaging reflected these donations. I was curious as to why a parent company of a news organization would have interest in making these donations, especially in an industry that is so dependent on public trust. Upon researching I felt that this issue might be too broad, and the information would be very hard to access. The difficulty to access any information says something in itself.

I decided to turn my question on its head, and look at the way the campaigns are funding the media companies, specifically local broadcast companies. Researchers often analyze the triangle that is money, media, and politics in terms of the media's impact on politics. Analysts tend to look at the way media messaging shapes and manipulates elections, but what is often left out of the literature is the way the political system shapes the media industry, particularly presidential campaign advertising's impact on local broadcast news.

In a time when traditional news outlets are struggling to find a place in the new technology environment, most political campaigns still choose to spend the majority of their advertising dollars on ad spots during news shows on broadcast television.<sup>1</sup> What impact does political advertising have on an industry that is swiftly changing? Bonnie M. Anderson, a veteran reporter at CNN and NBC, explains the importance of journalism in her book, *News Flash Journalism, Infotainment, and the Bottom-Line Business of Broadcast News*,

We are providing a fundamental benefit that keeps the public informed and arms citizens with vital information needed to make decisions that directly affect the lives of people in this country. As journalists, it is our civic duty, our social responsibility to protect this institution.<sup>2</sup>

Large corporations run the news industry in the United States, and citizens still depend on newsrooms to uphold journalistic ethics and report in a way that is fair and truthful. Corporations want to turn a profit, and one way broadcast news gets a profit is through advertising, which becomes most profitable with large numbers of viewers. In election years the airtime is flooded with political advertising, pushing out and making it more difficult for local advertisers or organizations that advertise regularly to get the same airtime they are used to.<sup>3</sup> The majority of this political advertising occurs during news programs.<sup>4</sup>

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<sup>1</sup> Fowler, Erika Franklin, Michael M. Franz, and Travis N. Ridout. *Political Advertising in the United States*. (Boulder: Westview Press, 2016) 101.

<sup>2</sup> Anderson, Bonnie. *News Flash: Journalism, Infotainment, and the Bottom-line Business of Broadcast News*. (San Francisco: Jossey-Bass, 2004.) 9.

<sup>3</sup> Ballhaus, Rebecca. "Campaign Ads, Even More Than Before, Bolster TV Stations." *The Wall Street Journal*, January 10, 2016. <http://www.wsj.com/articles/campaign-ads-even-more-than-before-bolster-tv-stations-1452475987>.

<sup>4</sup> Fowler, Erika Franklin, Michael M. Franz, and Travis N. Ridout. *Political Advertising* 101.

News companies in the United States are predominantly owned by a few large media conglomerates.<sup>5</sup> In many other Western countries there is a stronger presence of government funded public media.<sup>6</sup> Government funding can be just as dangerous as funding through advertisements and corporations in terms of large powers controlling the messages produced by the news outlet. If political figures are voting on the laws that control the media, then the media may feel as if they need to report in the favor of these politicians to keep funding.<sup>7</sup> However, in both private and public funding models, there are structures in place so that the business side and the journalistic side of the media company are separate.<sup>8</sup> When the barriers that separate reporting from being influenced by the money that pays for journalism are crossed, the organization can no longer be trusted to act fairly and independently from the interest of its subsidizer.

In election years an interesting dynamic plays out in broadcast television advertising. By law, a candidate's campaigns receive the lowest unit rate for their advertisements on broadcast television. This is the lowest rate the station charges for advertisements during a certain time slot. Candidates can exercise their right to have the equal amount of advertisement time as their opponents, potentially blocking out other advertisers that could be charged more. The equal opportunity rule only applies to

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<sup>5</sup> Lutz, Ashley. "These 6 Corporations Control 90% Of The Media In America." Business Insider, January 14, 2012. <http://www.businessinsider.com/these-6-corporations-control-90-of-the-media-in-america-2012-6>.

<sup>6</sup> Benson, Rodney, and Matthew Powers. "Public Media And Political Independence: Lessons for the Future of Journalism from Around the World." FreePress, February 2011. <https://www.freepress.net/sites/default/files/stn-legacy/public-media-and-political-independence.pdf>. 3.

<sup>7</sup> Djankov, Simeon, Caralee McIesh, Tatiana Nenova, And Andrei Shleifer. "Who Owns The Media?" *Journal Of Law And Economics*, October 2003. [Http://Scholar.Harvard.Edu/Files/Shleifer/Files/Media.Pdf](http://Scholar.Harvard.Edu/Files/Shleifer/Files/Media.Pdf).

<sup>8</sup> Benson, Rodney, and Matthew Powers. "Public Media And Political Independence." 3.

candidates running for federal offices.<sup>9</sup> One might think that these FCC regulations would drive revenue down for broadcast stations. However, these laws are only applied to the candidate's actual campaigns. With the emergence of super PACs and interest groups putting out advertisements, neither of which get the lowest unit rate or can fight for equal air time, the financial impact that presidential campaigns have on broadcast television news is intricate and always changing.

The Wesleyan Media Project has been tracking advertising spending in the United States with data that goes back to 1998. "One fact stands out in our analysis of ad buys by program and show genres: a majority of ads air on news shows, and that has been true for the last decade and a half."<sup>10</sup> The news industry is facing a time of financial uncertainty, and the pressure to shift to online content has come from reduced reader and viewership. However, politicians still see television broadcast news as the most effective way to advertise.<sup>11</sup>

To research this question I utilized a variety of literature including books, reports, scholarly articles, and recently published news articles. I started with some general books on campaign advertising and they seemed to all echo the same sentiment: campaign advertising is primarily done on local broadcast television. Knowing this, I also decided to conduct interviews with contemporary professionals in the broadcast news industry. I set out to survey modern broadcast industry workers to find the important issues and trends that are facing the industry today. I attempted to interview individuals from in all facets of the industry, and all ends of the political spectrum.

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<sup>9</sup> Newcomb, Horace, Cary O'Dell, and Noelle Watson. *Encyclopedia of Television*. Chicago: Fitzroy Dearborn Publishers, 1997.

<sup>10</sup> Fowler, Erika Franklin, Michael M. Franz, and Travis N. Ridout. *Political Advertising in the United States*. 101.

<sup>11</sup> Ibid.



Through my analysis of modern political advertising to be I found the following issues and trends to be shaping the future of campaign television ads: FCC regulations that aide presidential candidates campaigns such as the lowest unit rate and the equal air time rule, the rise of super PACs and dark money groups that do not have to disclose their donors, the crowding out of local advertisers and the ability or hindrance of keeping journalistic integrity in the midst of all this political ad spending. Forecasters predict that 4.4 billion dollars will be spent on television advertising in the 2016 election.<sup>12</sup> It is important to look critically at not only the way the media shapes our politics, but also at how politics and the money spent on campaigning impacts the media.

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<sup>12</sup> Kurtzleben, Danielle. "2016 Campaigns Will Spend \$4.4 Billion On TV Ads, But Why?" *National Public Radio*, August 19, 2015. <http://www.npr.org/sections/itsallpolitics/2015/08/19/432759311/2016-campaign-tv-ad-spending>.

## Literature Review

### The Structure of Political Advertising on Television

In the political world there are two types of coverage, free media and paid media. Free media would be mentioning a candidate on a news program, or any airtime that the candidate or any groups supporting the candidate is not spending money on; for example, Donald Trump appearing on *Saturday Night Live* as a special guest.<sup>13</sup> Paid media is advertising paid for by the candidate, PACs supporting the candidate, or any other organization interested in promoting or demoting a candidate.<sup>14</sup> Advertising has become a huge issue of debate in United States presidential elections. According to the *Sage Handbook of Political Advertising*, “Certainly no other country in the world has embraced this [political advertising] tool for political communication more fully than the United States.”<sup>15</sup> Before the popularity of television politicians campaigned using print and radio.

In 1952 Dwight D. Eisenhower was the first president to have his campaign televised.<sup>16</sup> Once John F. Kennedy utilized television advertising in 1960, candidates for lower offices began using television as a platform to promote their campaigns.<sup>17</sup> There have been a number of reforms and regulations placed on campaign advertising, the first being the Communications Act of 1934, which established the Federal

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13 Kaid, Lynda Lee and Christina Holtz-Bacha, *The SAGE Handbook of Political Advertising*. (Thousand Oaks, California: SAGE Publications, 2006.) 3.

14 Ibid, 3.

15 Ibid, 37.

16 Ibid.

17 Ibid, 38.

Communications Commission, (referred to as the FCC for the rest of this paper).<sup>18</sup> The Federal Election Campaign Act of 1971 was the first to place any restriction on campaign advertising.<sup>19</sup> It was then amended in 1974 and 1976, and requires candidates to report the source of donation money and the amount of money being donated, as well as setting a cap on donations and restricting donations from certain organizations. Corporations and labor unions were no longer allowed to donate funds directly to political candidates, but they could form their own political action committees. The rules and regulations for campaign advertising done by political action committees and issue groups are different than those done directly by presidential campaigns.<sup>20</sup>

Presidential campaigns are given the lowest unit rate for broadcast advertising. This means that the station has to give them the lowest rate they give out for advertisements that air during a certain time or show. There is also a rule called the equal access that allows candidates equal airtime, and if one candidate gets free airtime, it must be given to the rest. The exceptions to equal opportunity rule are news programs and documentaries.<sup>21</sup> While the candidate's campaign get the lowest unit rate, and equal airtime, outside advocacy groups do not. "Outside groups pay more for ads, and to the extent that the entrepreneurs in those groups are seeking significant stake in the conduct and content of political campaigns, they are 'overpaying'—certainly compared to their candidate allies."<sup>22</sup> This is one of the reasons it is so difficult to calculate the impact of

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<sup>18</sup> Fowler, Franklin, Franz, and Travis N. Ridout. *Political Advertising in the United States*. 32.

<sup>19</sup> Kaid and Holtz-Bacha. *The SAGE Handbook*. 38.

<sup>20</sup> Ibid.

<sup>21</sup> Newcomb, Horace, Cary O'Dell, and Noelle Watson. *Encyclopedia of Television*.

<sup>22</sup> Fowler, Franklin, Franz, and Ridout. *Political Advertising in the United States*. 32.

an election season on broadcast television. “The skyrocketing of ad prices post-*Citizens United* could change ad-buying strategies in elections to come.”<sup>23</sup>

One of the most significant changes to the political advertising system and spending models in recent years is the increasing number and power of super PACs. *Citizens United v. The Federal Election Commission* (2010) was a pivotal court case in recent history surrounding political advertising. Citizens United was an anti-Hillary Clinton group that wanted to release a negative documentary about Clinton in the form of a free video on demand film.<sup>24</sup> The issue being questioned in court was what is the definition of a political advertisement. Did this film qualify under FCC regulations as an ad or something else? However, the case turned into a more broad scope look at political interest groups and restrictions on their advertising.<sup>25</sup> Independent expenditure-only committees also known as super PACs emerged from this ruling. “A new type of group that could explicitly advocate for or against candidates and could raise unlimited funds, but could not contribute to a candidate’s campaign.”<sup>26</sup>

This case had a significant impact on election fund raising and campaigning. Under law, PACs cannot coordinate directly with the candidate’s campaigns, although candidates can get around these laws by using indirect methods to signal to the super PACs advocating for the candidate. Indirect methods include posting uncut videos on YouTube that can be crafted into a political advertisement. For example, Ted Cruz’s campaign posted 15 hours of unedited footage on YouTube in 2015. “Evidently, shooting video like this and posting it in a public space lets campaigns and their

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<sup>23</sup> Ibid.

<sup>24</sup> *Citizens United V. Federal Election Commission*, Legal Information Institute at Cornell University Law School (January 21, 2010).

<sup>25</sup> Ibid.

<sup>26</sup> Fowler, Franklin., Franz, and. Ridout. Political Advertising in the United States. 32.

supportive PACs share the content without technically communicating, which would be against the rules,” states a *Politico* article titled, “What I learned from Watching 15 Hours of Cruz Family Videos.”<sup>27</sup> The risk of posting this on a public YouTube channel is that other people besides the super PAC will find it, and uncut footage can reveal just how rehearsed and unnatural all of the advertising is. In an excerpt of this video cut and edited by CNN, Cruz’s mother can be heard saying, “that’s too personal Ted. I don’t want to tell that.”<sup>28</sup> To which he responds, “Well I want to tell that, and you’re the best person to tell that.”<sup>29</sup> It seems forced and awkward, like most uncut footage probably is, but anyone with Internet access can view it.



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<sup>27</sup> “Kruse, Michael. “What I Learned Watching 15 Hours of Cruz Family Videos.” *Politico Magazine*. <http://www.politico.com/magazine/story/2015/12/ted-cruz-b-roll-family-videos-213429>.

<sup>28</sup> CNN. “Watch Ted Cruz Coach His Family through a Campaign Ad Shoot.” YouTube. December 02, 2015. Accessed March 10, 2016. [https://www.youtube.com/watch?v=hO\\_MkcZh-VY](https://www.youtube.com/watch?v=hO_MkcZh-VY).

<sup>29</sup> Ibid.

<sup>30</sup> Ibid.

Ted Cruz's mother, Eleanor Darragh, from an excerpt of uncut footage that was gathered by CNN.

Another loophole that candidates use to coordinate with their super PACs has to do with planning ahead and buying television advertising spots early. Securing airtime far in advance can communicate the advertising strategy from the PAC or other group supporting a candidate to that candidate, which they are forbidden to coordinate with.<sup>31</sup> The broadcast stations must post their contracts with political advertisers on the FCC website and these files are available to the public. The risk is that other campaigns can also decipher their strategy and plan accordingly.<sup>32</sup>

Super PACs must disclose their donors. When people who contribute to campaigns prefer to stay anonymous, they have the option to contribute to dark money groups, a term used to refer to non-profit organizations that are not required by law to disclose their donors. These groups file under 501 c, a tax-exempt non-profit and have no limit on the amount of money they can raise. By law these non-profit organizations must have other functions besides political campaigning, but they have become a strong force in campaigning.<sup>33</sup>

Many people and organizations have raised issues with these groups insisting that in order for a candidate to be transparent about their motivations, they must be transparent about their donors. Others disagree, claiming donor privacy is more important. "If I want to give money to a political cause, tell me a good reason why I should have to tell anyone about my political contributions? Why is that relevant for

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<sup>31</sup> Fowler, Franklin, Franz, and Ridout. *Political Advertising in the United States*. 90.

<sup>32</sup> Ibid.

<sup>33</sup> Ibid, 25.

anyone,” says Lars Larson, a radio talk show host based in Portland, Oregon.<sup>34</sup> Larson believes that donors have the right to guide candidates in certain directions and influence policy.

The influence that money has on politics is difficult to measure. Those donating to campaigns may have the ability to shape the message if their contributions are substantial enough. In the book *Political Advertising in the United States*, by Erika Franklin Fowler, Michael M. Franz, and Travis N. Ridout, the importance of donor disclosure is made clear. “When people do not know who is backing an ad, they have no basis for evaluating the ads arguments.”<sup>35</sup> The authors also go into the journalistic standpoint of the argument. “Knowing who paid for an ad can help journalists root out corruption.”<sup>36</sup>

The FCC began requiring broadcast stations to post the advertising requests and all public files online in 2012 for the fifty largest media markets, and in 2014 began requiring it of all media markets.<sup>37</sup> Stations are only required to upload a scanned version of the contracts, which do not have search ability and it requires tedious time and effort to pull data off of these documents.<sup>38</sup> “These mandates are a major advance for scholarship, but there is still a significant challenge in standardizing the data.”<sup>39</sup> Media analysis groups that work commercially pull this data to sell to advertisers, but academically there are very few organizations that work to make this data available.

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<sup>34</sup> Lars Larson, interview by Haley Rivet, over the telephone, April 6, 2016.

<sup>35</sup> Fowler, Franklin, Franz, and Ridout. *Political Advertising in the United States*. 36.

<sup>36</sup> Ibid.

<sup>37</sup> Ibid, 30.

<sup>38</sup> Ibid.

<sup>39</sup> Ibid, 31.

Although big data is allowing campaigns and interest groups to target more efficiently online, political advertising is still primarily done through television commercials, and not just on random programs, primarily during news shows. This is an interesting trend considering the recent shift in newspapers from print to online. Some researchers argue this is because taking advertising to a new medium is risky and elections only happen every four years, and so campaigns prefer to stick to methods that have been historically successful, even though big data online can help advertisers use their money more efficiently.<sup>40</sup>

According to *The Sage Handbook of Political Advertising*, there are two major criticisms that scholars have with political advertising on television. The first being the aesthetics and the conciseness that is required with television advertising.<sup>41</sup> Viewers can be distracted by the visuals of the ad and not absorb the entire message that is often expressed in a matter of seconds, and therefore do not have the proper information to make an educated decision. The second issue the *Sage Handbook* addresses is the amount of advertising that is attacking rather than promoting a candidate. Negativity about other candidates is more prominent than actual facts about the candidate paying for the ad.<sup>42</sup> Negative advertising is when an advertisement tells viewers why they shouldn't vote for someone or something. However, neither of these concerns prove to be valid according to researchers because the data does not back these claims up.<sup>43</sup>

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<sup>40</sup> Kurtzleben, Danielle. "2016 Campaigns Will Spend \$4.4 Billion On TV Ads, But Why?" *National Public Radio*, August 19, 2015. <http://www.npr.org/sections/itsallpolitics/2015/08/19/432759311/2016-campaign-tv-ad-spending>.

<sup>41</sup> Kaid and Holtz-Bacha. *The SAGE Handbook*.. 41.

<sup>42</sup> Ibid.

<sup>43</sup> Ibid.



## Importance of Broadcast News

Broadcast news in particular has a special place in American culture.

If television journalism had never amounted to much, had never played an important role in informing the public and maintaining this democracy, then today's realities might not seem so worrisome, or even out of character for the profession... But that's not the case... It has provided people with extraordinary access to information and breathtaking events around the planet and beyond.<sup>44</sup>

The above statement is a quote from Bonnie M. Anderson, a veteran reporter for CNN and NBC in her book *News Flash: Journalism, Infotainment, and the Bottom-Line Business of Broadcast News*. Some of the historical moments that showcase the importance of television news include watching man land on the moon, Walter Cronkite announcing John F. Kennedy's death and shedding a tear, President Lyndon B. Johnson saying, "If I've lost Cronkite, then I've lost middle America," about the public sentiment of the Vietnam War, and the more recent September 11th coverage, when the falling of the second tower was shown to the world.<sup>45</sup>

Television news has held a huge role in American culture and history, and even with the emergence of the web and online content, broadcast television remains to be an important way for Americans to access the news and learn about their surroundings. According to Anderson, television news content has shifted from serious reporting and informing to segments that puts more emphasis on fluff pieces and entertainment. Anderson argues that the focus that once weighed on informing consumers and acting as a watchdog to alert citizens of corruption has

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<sup>44</sup> Anderson. *News Flash* 4.

<sup>45</sup> Ibid.

changed to a business that is more concerned with celebrity gossip. “Once *news* was the star; now the stars are the stars.”<sup>46</sup>

Morning talk shows, which emerged out of the 1950s, began the crossover between entertainment and news, but it was not until the success of the magazine-style news show *60 Minutes*, that broadcast news began to shift from straight journalism to a more entertainment focused.<sup>47</sup> *60 minutes* was not initially thought of as purely journalistic, but rather entertainment reporting. “The sad irony now is that *60 Minutes*, which for the most part has remained true to its original format and style, is now considered one of the straightest, most professional news programs, if not the premiere one, on air today,” says Anderson.<sup>48</sup> Broadcast news has been in flux since the 1980s when large media conglomerates bought out most of the national networks that were once owned by many smaller companies.<sup>49</sup>

In *Funding Journalism in the Digital Age Business Models, Strategies, Issues and Trends*, Jeff Kaye, and Stephen Quinn discuss the following question: “Quality journalism is expensive to produce – so how will it survive as traditional sources of revenue shrink?”<sup>50</sup> They emphasize the importance of news, not just as a business, but also as an imperative resource to combat corruption. “When a huge drop in advertising threatens the financial viability of the news business, the media’s public good role is also threatened.”<sup>51</sup> This duty of informing and educating the public sometimes involves

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<sup>46</sup> Ibid, 6.

<sup>47</sup> Hallin, Daniel. “Whatever Happened to the News?” *Center for Media Literacy*. Accessed April 15, 2016. <http://www.medialit.org/reading-room/whatever-happened-news>.

<sup>48</sup> Anderson, Bonnie. *News Flash*. 7.

<sup>49</sup> Lutz, Ashley. “These 6 Corporations Control 90% Of The Media In America.”

<sup>50</sup> Kaye, Jeff, and Stephen Quinn. *Funding Journalism in the Digital Age: Business Models, Strategies, Issues and Trends*. New York: Peter Lang, 2010. 6.

<sup>51</sup> Ibid, 12.

taking hours digging through public files, sending correspondents to remote locations and other various expensive endeavors. “Investigative and socially-responsible journalism costs more than ‘churnalism’ and entertainment news.”<sup>52</sup>

You cannot judge the quality of content simply by the number of viewers or profit. Many new expenditure cutbacks occurred when conglomerates took over. This included cutting travel budgets for journalists and having to use outsourced information. It is hard to tell how much networks are making because the conglomerates are not required to publish the specific numbers for their news divisions.<sup>53</sup>

There is problem that arises within the journalism industry in terms of getting news and information into the hands of consumers when the economy is struggling. In times of financial weakness it is important for citizens to be well informed on the economy, and for journalistic watchdogs to report on what mistakes were made by who to cause a financial crisis or depression. However, if consumers are unclear on their future income they might save their money rather than opt to pay money to subscribe to a news source. When people seek news more in times of financial uncertainty, which is when they are least likely to pay for it, such as the financial crisis of 2008.<sup>54</sup> In the US newspapers lost 64.5 billion in market value in 2008.<sup>55</sup> However, media analysts cannot be sure that the recession directly caused the loss because the drop in market value of newspapers could also be a result of the emergence of online news.

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<sup>52</sup> Ibid.

<sup>53</sup> Fowler, Franklin, Franz, and Ridout. Political Advertising in the United States. 31.

<sup>54</sup> Kaye, Jeff, and Quinn. *Funding Journalism*. 13.

<sup>55</sup> Ibid,5.

Online news is still in experimental stages in terms of finding a solid business plan for funding. “The news industry is making its transition away from print and broadcast distribution to primarily digital platforms. But advertising and subscription business models that support traditional media companies in the past appear unable to do so in the digital age.”<sup>56</sup> The whole issue of funding journalism is unique because journalism is a public good. “The deeper issue involves the impact a shrinking news industry will have on journalism’s vital social role of acting as the fourth estate.”<sup>57</sup> Political advertising impacts the funding of local broadcast news, and this impact is shifting as laws and technology evolve.

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<sup>56</sup> Ibid.

<sup>57</sup> Ibid, 9.

## **Funding Models**

### **Public Versus Privately Funded Media**

In a study of fourteen countries done by Rodney Benson and Matthew Powers of the New York University Department of Media, Culture and Communication, “Public Media and Political Independence: Lessons for the Future of Journalism from Around the World,” publicly funded models of journalism from other countries are compared to the predominantly commercial ones seen in the United States.<sup>58</sup>

According to the study, the public media model works on the basis that the citizens feel that the news is being provided as a service to them. Funding is put in place or modified for multiple years at once, “lessening the capacity of the government to directly link funding to either approval or disapproval of programming.”<sup>59</sup> The funding structures of public media allows public broadcasting create content that is responsive to the public through oversight organizations, legal and administrative charters. Organizations like public agencies, administrative boards and trusts act as an intermediary from the government to the public media.<sup>60</sup>

The core institutions and systems that have supported journalism in America for decades are weathering a perfect storm of challenges that have undercut our country’s longstanding information infrastructure. At the same time, a new generation of

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<sup>58</sup> Benson, Rodney, and Matthew Powers. "Public Media And Political Independence: Lessons for the Future of Journalism from Around the World." FreePress, February 2011. <https://www.freepress.net/sites/default/files/stn-legacy/public-media-and-political-independence.pdf>. 3.

<sup>59</sup> Ibid.

<sup>60</sup> Ibid, 4.

news and journalism organizations are driving a renaissance in local reporting and reinvigorating our media system.<sup>61</sup>

The authors of the study believe that the news industry in America is an example of market failure, but those involved are too afraid to enact any laws or policy to deal with the issue of funding because it could hurt journalism even more. They argue that even though public and private media both have buffers that keep those involved with funding separate from those involved with the journalistic side, the buffers inside public media are stronger. Public media ensures this with oversight boards and by having the funding established years ahead of time so politicians cannot sway the media with funding.<sup>62</sup> “Government has always and will always influence how our media system functions, from the early newspaper postal subsidies to handing out broadcast licenses and subsidizing broadband deployment.”<sup>63</sup>

Other scholars argue that there is little difference in journalistic ethics between privately and publically funded media. “No serious media analyst would argue that journalism anywhere in the world is literally neutral,” says Daniel C. Hallin and Paolo Mancini, in their book *Comparing Media Systems: Three Models of Media and Politics*.<sup>64</sup> Ensuring that advertising money does not change the messages coming from the newsroom is especially difficult in the presidential advertising season. Political advertising is impacting the way media is funded, particularly local broadcast television news.

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<sup>61</sup> Ibid, 3.

<sup>62</sup> Ibid, 9.

<sup>63</sup> Ibid, 3.

<sup>64</sup> Hallin, Daniel C., and Paolo Mancini. *Comparing Media Systems: Three Models of Media and Politics*. Cambridge: Cambridge University Press, 2004. 63.

## Suggestions for Future Models of Journalism in the U.S.

Chris Anderson, the author of *Free, the Future of a Radical Price* discusses different funding solutions in his book. “The web has become the biggest store in history and everything is 100 percent off,” he is quoted saying in *Funding Journalism in the Digital Age: Business Models, Strategies, Issues and Trends*.<sup>65</sup> However, investigative reporting on important issues doesn’t come for free. It is quite costly. “Anderson is right when he says that distribution costs are nearly non-existent on the Internet. But production costs are not.”<sup>66</sup>

Anderson suggests that to remedy this the free pieces can be used to market the product. “Free may be the best price, but it can’t be the only one.”<sup>67</sup> For example, many publications give reader so many free articles a month before they can no longer read without a subscription. Anderson makes an analogy with razors: “Just as King Gillette’s free razors only make business sense paired with expensive blades, so will today’s web entrepreneurs have to not just invent products that people love, but also those they are willing to pay for.”<sup>68</sup>

Of course, even in traditional mediums of journalism, the subscriptions aren’t the only way publications receive revenue. “Consumers have been funding only a fraction of the cost of cost of producing quality journalism.”<sup>69</sup> Advertisements are a crucial to the news industry.

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<sup>65</sup> Anderson, Chris. "The Economics of Giving It Away." *The Wall Street Journal*, January 31, 2009. <http://www.wsj.com/articles/SB123335678420235003>.

<sup>66</sup> Kaye, Jeff, and Quinn. *Funding Journalism*. 10.

<sup>67</sup> Ibid.

<sup>68</sup> Anderson, Chris. "The Economics of Giving It Away."

<sup>69</sup> Kaye, Jeff, and Quinn. *Funding Journalism*. 6.

“Free-to-air TV is seeing subscription TV eat into advertising, audiences fragment and migrate online as time-shift technology lets viewers skip TV advertisements. In radio, podcasts act as time-shift technology, while the audience is spoilt for choice,” says Emily Bell, director of digital content for *the Guardian*.<sup>70</sup> It is interesting to analyze political advertising in terms of its impact on revenue streams for television news, considering the declining viewership and advertising dollars of free-to-air TV.

The shift to online content for journalism has not been a smooth transition in terms of funding models.<sup>71</sup> Traditional news outlets are fighting against social media and sites with free content for readership. *Funding Journalism In the Digital Age* analyzes solutions that media consultants tried out and has some suggestions for funding models as well. These methods include pay-as-you-go funding, keeping content hyper local and tailoring the content for different times of the day. Even though the industry has been trying these different methods, we still see traditional journalism shrinking. “Journalists have been losing their jobs by the thousands.”<sup>72</sup>

One of the methods that the industry has toyed with is the pay-as-you-go method. Walter Isaacson, who was once the managing editor of *Time* magazine, suggested that journalists require readers to pay per article consumed. These micropayments were discussed in a 2009 *Time* magazine cover story.<sup>73</sup> In a quote from the story Isaacson compares articles to music. “The key to attracting online revenue, I

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<sup>70</sup> Ibid, 8.

<sup>71</sup> Anderson, Peter J., George Ogola, and Michael Williams. *The Future of Quality News Journalism: A Cross-Continental Analysis*. New York: Routledge Taylor and Francis Group, 2014.

<sup>72</sup> Kaye, Jeff, and Stephen Quinn. *Funding Journalism*. 19.

<sup>73</sup> Glynnis. "Time to Help Save Your Newspapers." AdWeek, February 5, 2009. <http://www.adweek.com/fishbowlny/time-to-help-save-your-newspapers/12038>



think, is to come up with iTunes-easy method of micropayment.”<sup>74</sup> This concept has been disputed by digital media consultants for various reasons. “Industry analysts, such as Alan Mutter, also pointed out that a micropayment could not work for one news outlet if others were providing the same, or similar, content for free.”<sup>75</sup> So far this concept hasn’t really taken off due to competition for readership.

The next two strategies explained by the book mirror the broadcast news industry. One of these strategies, which has been tested through trial and error by the online news industry, is producing content that is of interest to an extremely local audience. Hyperlocal content is something that has kept the broadcast news industry healthy by attracting local businesses that want to advertise to a local audience. “This is a strategy and practice through which news organizations cover communities at a much more local, granular level than previously conducted.”<sup>76</sup> This is a way for newspapers to optimize revenue by targeting local advertisers, and worked for print newspapers and broadcast news, however these online newspapers are having difficulties with competing with websites and social media.

The second concept borrowed from broadcast TV that the book mentions is called dayparting. “The concept was fairly simple and had been a traditional part of television and radio broadcasting programming.” Dayparting is promoting different types of content at different times of the day, news heavy in the mornings and more emphasis on entertainment in the early evenings.<sup>77</sup>

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<sup>74</sup> Ibid.

<sup>75</sup> Kaye, Jeff, and Quinn. *Funding Journalism*. 39.

<sup>76</sup> Ibid, 44.

<sup>77</sup> Ibid, 47.

It is interesting to note that both the strategies of publishing hyperlocal stories and tailoring the content to the times of day are similar to the broadcast media strategies. Local television news often attracts advertising from local businesses or local political campaigns. Newspapers have been struggling to adapt to the Internet age, which becomes even more apparent when we note that political advertising is still primarily done through local broadcast television during news shows.

Despite all of the attention and spending that goes into television advertising during elections years, broadcast television news is struggling to keep younger viewers.<sup>78</sup> Some suggestions for remedying this including becoming more interactive on social media, tapping into mobile news consumption and exploring alternative funding methods such as grant and viewer funded channels are put forth in the book *The Future of Quality News Journalism: A Cross-Continental Analysis*.<sup>79</sup> One example of a viewer funded non-profit is *The Real News Network*, which publishes video and documentary news daily without advertising government, or corporate funding.<sup>80</sup> “Our perspective on reporting the news is guided by an editorial approach that seeks facts and doesn’t bow to pressure,” is a line in TRNN’s mission statement.<sup>81</sup>

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<sup>78</sup> Anderson, Ogola, and Williams. *The Future of Quality News Journalism: A Cross-Continental Analysis*.

<sup>79</sup> Ibid.

<sup>80</sup> Ibid.

<sup>81</sup> "Mission Statement." *The Real News Network*. <http://therealnews.com/t2/about-us/mission>.

## Political Advertising's Impact on Broadcast Television in 2016

Political advertising in the United States is an industry that has a strong cyclical economic impact on the television broadcast news industry. Researchers often pose the question how does the media affect politics, and I think that is an important question to ask. However, I wanted to pose a different question, one that looks at the effect politics have on the media. It is important to take an analytical look at how advertising dollars impact the news industry in a time of uncertainty. Through personal experience, I find there is a general notion is that there are no longer jobs for journalists. Newspaper staffs are shrinking, more and more reporting is getting outsourced to freelancers, and the public sentiment is that journalism is a dying industry. With all of this buzz about journalism being dead, especially in its traditional outlets, it is interesting to note that the primary avenue for political advertising is not on the web, but rather on local broadcast television.<sup>82</sup> The main concepts and trends that I have found through my research to be impacting the political television advertising industry are FCC regulations that aide presidential candidates campaigns like the lowest unit rate and the equal air time rule, the rise of super PACs and dark money groups, the crowding out of local advertisers and keeping journalistic integrity in the midst of all this political ad spending.

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<sup>82</sup> Fowler, Franklin, Franz, and Ridout. *Political Advertising in the United States*. 25

The 2016 presidential election is expected to bring in 4.4 billion dollars worth of advertising spots on television alone.<sup>83</sup> This is a 16 percent increase from the 3.8 billion spent on television advertisements in the 2012 election.<sup>84</sup> With all of this additional spending in paid television advertising, it is also important to take a critical look at the unpaid media coverage certain candidates are benefiting from. This election year has created difficulty for forecasters, with celebrity candidates and radical viewpoints, the media has taken a special interest in election content. “Call it the Trump Effect. When a candidate with the most delegates has spent the least on advertising and gets twice as much earned media as all of his opponents combined, there’s something unusual at play,”<sup>85</sup> reports media analysis company, Borrell Associates.

Campaign television advertising is complex and media strategies are always changing with new problems arising from developments in technology and changes in regulation law. The data that is published by the FCC is difficult to compile analyze, and even with all the election data, there is no published data for a non-election year that is available to compare and contrast.

I researched this topic through a combination of published books on the industry at large, both scholarly articles, and news articles that illustrated the most recent events and statistics for the 2016 election. I also interviewed contemporary professionals that work in the broadcast news industry as a way to gauge what issues they were facing, and how they see the world of political advertising changing and evolving in 2016.

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<sup>83</sup> Kurtzleben, Danielle. "2016 Campaigns Will Spend \$4.4 Billion On TV Ads, But Why?" *National Public Radio*, August 19, 2015. <http://www.npr.org/sections/itsallpolitics/2015/08/19/432759311/2016-campaign-tv-ad-spending>.

<sup>84</sup> O’connor, Patrick. "TV Remains King in Political Ad Spending." *Wallstreet Journal*, August 30, 2015. <http://www.wsj.com/articles/tv-remains-king-in-political-ad-spending-1440978256>.

<sup>85</sup> Cassino, Kip. “2016 U.S. Political Ad Spending Update The Biggest-Ever Year Just Got Bigger.” Report. Williamsburg: Borrell Associates, 2016.

During winter and spring of 2016 political advertising professionals were extremely busy gearing up for the election ahead, and many were difficult if not impossible to get a hold of. I started my search by asking professors with broadcast news experience where I should look for local experts that are currently working in the climate of 2016. Through speaking to those initial contacts I was able to find others. Using these methods I spoke with Dan O'Brien, the general sales manager at KEZI, a local broadcast news station in Eugene, Oregon, Lars Larson, a radio talk show personality based out of Portland, Oregon, Michael Franz, a researcher in the field and one of the co-founders of the Wesleyan Media Project, Peter Collins, a media buyer in the San Francisco market, as well as others whose quotes I have left out for the sake of brevity.

### **Shifts with Outside Group Funding**

During the 2016 presidential election there has been a rise in the contributions of dark money groups that are not legally required to disclose their donors. Dark money, or 501c groups are tax-exempt non-profits. They cannot legally have political campaigning be their primary purpose. However, they have become an increasing presence in elections.<sup>86</sup> There are ranging opinions on the importance of donors being identified to the public. "It's important to know, first off who is behind all these campaign messages that are trying to persuade voters to vote for certain candidates,"

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<sup>86</sup> Fowler, Franklin, Franz, and Ridout. *Political Advertising in the United States*. 25.

says Michael Franz, one of the co-founders of the Wesleyan Media Project, an organizations that arms researchers with data about political ad spending.<sup>87</sup>

Lars Larson, a conservative radio talk show host based out of Portland, Oregon believes that dark money groups aren't harmful for our country and that as a donor you have the right to privacy. "If you want to give money to a political cause, tell me a good reason why I should have to tell anyone about my political contributions? Why is that relevant for anyone?"<sup>88</sup> However, when a person or organization donates a large sum of money, they tend to have a pull in the candidate's decisions, and the public has a right to know who the donor is to access their motives. Below is a quote from a recent Wesleyan Media Project Report.

The fact that so much money is coming from unlimited, and in many cases secret, pools of money raises important questions about who really has a say in our elections," said Sheila Krumholz, executive director of the Center for Responsive Politics. "Most Americans don't even contribute \$200 to political campaign, much less \$2 million or more to a super PAC or 501(c)(4)."<sup>89</sup>

Ever since the *Citizens United V. the FEC* in 2010, a court case that paved the way for super PACs, groups that are forbidden to communicate directly with a candidate's campaign, but may campaign for or against candidates and have no restrictions on fundraising, we have seen a surge in presidential election advertising spending. Candidates campaigns receive special regulations through the FCC that can help them with spending on their campaign, which any other interest groups do not

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<sup>87</sup> Michael Franz, interviewed by Haley Rivet, over the telephone, March 16, 2016.

<sup>88</sup> Lars Larson, interview by Haley Rivet, over the telephone, April 6, 2016.

<sup>89</sup> Clinton and Sanders Even in Ad War, Cruz and Rubio Gain on Bush in S. Carolina. Report. Middletown: Wesleyan Media Project, 2016. <http://mediaproject.wesleyan.edu/releases/update-on-nv-and-sc-contests/#table1>.

receive, and so it becomes much more expensive for these advocacy groups to advertise.

A report published by the Wesleyan Media Project on February 18<sup>th</sup>, 2016 shows the dramatic increase in political ad spending done by outside groups in the past eight years.

“While outside groups sponsored less than 1 percent of airings to this point in 2008, their share of ad airings to this point in 2012 was just over 55 percent. Their share of ad airings has increased to 57.5 percent in the 2016 election cycle (a 26 percent increase in volume over 2012 and a 23,500 percent increase over 2008).”<sup>90</sup>

We can see that prior to *Citizens United* there was very little spending on political advertising done by outside groups. From 2008 to 2012 outside group spending went from less than 1 percent to over half of the spending done on political ads. Below is a chart that shows the amount of money that has been spent on advertising for each presidential candidate in the 2016 election from January 1, 2015 to February 14<sup>th</sup>, 2016.

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<sup>90</sup> Ibid.

Favored Candidate	Est. Cost (in millions)	Airings
Clinton	20.8	38,811
Sanders	20.1	38,244
Bush	61.9	35,871
Rubio	35.3	32,591
Cruz	10.6	14,529
Carson	4.3	12,115
Trump	6.6	11,459
Kasich	11.2	4,936

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This data was collected from January 1, 2015 to February 14, 2016, and includes broadcast, national network and national cable television. The source of this data is Kantar Media CMAG with analysis by the Wesleyan Media Project.

We can see in the table above that although Jeb Bush has had less airings than both Hillary Clinton and Bernie Sanders, he has paid around three times as much as them. This data in the table includes both advertisements done by super PACs and the candidates' campaigns. Right to Rise USA, a pro-Bush super PAC is responsible for 57.6 million dollars of this ad spending.<sup>92</sup> Right to Rise USA doesn't get the lowest unit rate from the stations, and is doing the majority of Bush's advertising. This is likely why Bush, out of all the candidates, has the highest total advocacy ad dollars. The rise of super PACs is funneling more advertising money into local broadcast television because stations are allowed to charge these groups more than the lowest unit rate. This

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<sup>91</sup> Ibid.

<sup>92</sup> Ibid.



is one example of how the impact of presidential advertising on local broadcast news is shifting.

## **FCC Regulation Issues**

The equal airtime rule allows candidates to request the amount of time that other candidates have received in order to keep stations from manipulating elections. This only applies to the candidate's campaigns, not to super PACs or other issue groups. One equal airtime dispute from free media that has emerged from the 2016 election was a result of Donald Trump starring in multiple skits on NBC's *Saturday Night Live*.

Donald Trump was invited to host *Saturday Night Live*, and other GOP candidates requested that NBC allow them to have free equal airtime because Donald Trump did not have to pay to be on the show. Airtime was requested from Jim Gilmore, Lindsey Graham, Mike Huckabee, John Kasich, and George Pataki. Trump's SNL skit lasted 12 minutes and five seconds, and the other GOP candidates demanded an equivalent amount of time.<sup>93</sup> Because *Saturday Night Live* is aired on NBC, which is network television, it must adhere to more strict FCC codes than a show on cable television. "Some candidates have only requested air time in individual markets in early primary states, rather than on the network as a whole. Four of the five, for instance, have filed requests with the NBC affiliate in Des Moines, Iowa,"<sup>94</sup> states a

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<sup>93</sup> VanDerWerff, Todd, and Caroline Framke. "NBC Put Trump on SNL. Now Third-tier Candidates Are Demanding Equal Time." Vox. Accessed November 19, 2015.

<http://www.vox.com/culture/2015/11/19/9761720/trump-equal-time-rule-nbc>.

<sup>94</sup> Ibid.

Vox article titled, “NBC put Trump on SNL. Now third-tier candidates are demanding equal time.”

### **Crowding out of local advertisers**

With all of this drive in advertising from the election local advertisers that are used to being able to buy spots for certain air times at specific rates can be crowded out. I spoke with Dan O’Brien, the general sales manager at KEZI; a local broadcast television station in Eugene, Oregon to see how he deals with this issue. While Oregon isn’t a swing state, or a state with a particularly important primary, O’Brien does notice a significant change in advertising during presidential election years. “I can tell you that it can become very very hectic at a television station because you rarely know very far in advance how much spending is going to be in play. And it becomes often times something of a free for all,” says O’Brien.<sup>95</sup>

The main issue he faces is that when candidates take up a significant amount of airtime, and it gets expensive, local advertisers are hurt. “That’s where I think local agencies, local businesses see the most frustration because it’s so difficult to predict and estimate because they keep that information very close to the vest,” says O’Brien. “It’s not like one of the advertisers says ‘hey I am planning on spending this much money.’ Because their candidacy is always in flux as well, they probably don’t know where they

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<sup>95</sup> Dan O’Brien, interviewed by Haley Rivet, KEZI Eugene, February 29<sup>th</sup>, 2016.

are going to spend their money and how much they are going to spend at any given state. But when it becomes active it becomes almost like a feeding frenzy at times.”<sup>96</sup>

In a *Wall Street Journal Article*, “Campaign Ads, Even More Than Before, Bolster TV Stations,” a suggested solution for the issue of crowding out local advertisers in a presidential election year in Iowa is to move local advertisers online.<sup>97</sup> With the regular revenue from local advertisers, along with a huge surge from super PACs, the television stations are seeing a large increase in earnings. “In November, the Tribune Television Group, which has 42 stations in 33 markets, projected net revenue for 2015 of about \$2 billion. Its digital ad revenue for the first three quarters of the year was up 26% over the comparable period in 2014.”<sup>98</sup>

The balance between local advertisers and the influx of political ads has become so hectic in some areas that the advertising company Viamedia, Inc, has created a “Political Audience Extension Toolset” to help advertisers navigate through the political season.<sup>99</sup> Informing advertisers where and when to best advertise during an election has become a business. The issue of dealing with local advertisers in an election season and the limited amount of airtime illustrates how complicated the dynamic is between political advertising and local broadcast news stations. As technology evolves and online advertising becomes an alternative to television advertising that did not exist before, the revenue stream for broadcast stations expands.

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<sup>96</sup> Ibid.

<sup>97</sup> Ballhaus, Rebecca. "Campaign Ads, Even More Than Before, Bolster TV Stations." *The Wall Street Journal*, January 10, 2016. <http://www.wsj.com/articles/campaign-ads-even-more-than-before-bolster-tv-stations-1452475987>.

<sup>98</sup> Ibid.

<sup>99</sup> Lafayette, Jon. "New Tool Helps Marketers Avoid Election Year Squeeze." *The Business of Television, Broadcasting and Cable*, November 27, 2015. <http://www.broadcastingcable.com/news/currency/new-tool-helps-marketers-avoid-election-year-squeeze/145299>.

## **Journalistic Integrity**

Peter Collins is a media buyer in the San Francisco market that also does video production on the side for campaigns he has or would vote for. Collins believes that campaign advertisers give the stations such a surge in revenue, that the stations take advantage of the elections. “The TV industry in particular, they gouge the political advertisers, and they rake in this predictable bump in revenue,” says Collins.<sup>100</sup> “Because a campaign is always working against the deadline of the election day, the campaign doesn’t always have time to stand and fight, and the day after the election, the campaign is gone.”<sup>101</sup> Collins thinks that although financially, the campaigns help the stations, they can hurt the journalistic integrity. “If the news department of the TV station attacks a candidate that’s spending a lot of money, there will be a conversation between the consultant and the station manager, and in some places that will result in a change in tone,” says Collins.<sup>102</sup>

Most news stations, whether they are publicly or privately funded, have structures in place to keep the business department and the journalism department separate.<sup>103</sup> Researchers argue that this buffer is stronger among publicly funded newsrooms because these firewalls are written into the laws in the form of public agencies, administrative boards and trusts.<sup>104</sup> This issue illustrates that the relationship

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<sup>100</sup> Peter Collins, interviewed by Haley Rivet, over the phone. April 5, 2016.

<sup>101</sup> Ibid.

<sup>102</sup> Ibid.

<sup>103</sup> Benson, Rodney, and Matthew Powers. "Public Media And Political Independence."

<sup>104</sup> Ibid.

between political advertisers and local broadcast news stations is not all financial, but can also impact media messaging.

### **Recording and Tracking Methods**

To get a comprehensive look at political advertising in the 2016 election, I have analyzed media spending using several different methods. Most of the research that is conducted on political advertising trends is for commercial use. One of the organizations that measure spending in an academic sense is the Wesleyan Media Project. The Wesleyan Media Project tracks advertising expenditure from political campaigns at both the federal and state levels in all media markets and publishes its findings for scholars, citizens and journalists. Their published reports are useful to see the spending done by each presidential campaign and their interests groups. The Wesleyan Media Project gets its data from Kantar Media's Campaign Media Analysis Group, and then codes the information to make it accessible to researchers and academics. "We don't have a website or a data interface that would be very friendly or usable to the average citizen. We'd like to get that far," says Michael Franz, one of the project's co-founders. One of the limitations of the Wesleyan Media Project is that it isn't a comprehensive enough database for the question I am trying to answer in terms of how the dollars spent impact the broadcast television networks.

Another avenue to answer the question of financial impact of election cycles on local broadcast news are the contracts between political advertisers and broadcast television stations must be filed on the Federal Communications Commission website.

In 2014 it became legally required for all of the contracts between any political advertiser and broadcast stations to be posted online. Again, this method does not show to what degree political advertisements help or hinder broadcast news stations. The lack of data availability shows again that campaign advertising's and local broadcast television have a relationship that has yet to be fully explored by researchers.

### **Future of Political Advertising**

“Campaigns don't know what the return on investment on any given ad will be, but then, they only care about one return: winning or losing. The one vote that pushes a candidate over the finish line is the vote that matters, so it's priceless,”<sup>105</sup> states an NPR article published on August 19, 2015, which predicts that the presidential campaigns for the 2016 election will spend \$4.4 billion on television advertising.<sup>106</sup> Donald Green is a political science professor at Columbia University that believes television ads are losing their effectiveness and are pushed for by those who profit from them. “Campaign consultants have an incentive to push ads, according to Green, because they're in the media business — they not only believe in ads, but they sometimes get a cut of the media spending.”<sup>107</sup>

The article then points out that no candidate is willing to test out new marketing methods even though they have the potential to save a lot of money because candidates want to use safe methods to persuade voters that have been proven. “Because of that,

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<sup>105</sup> Kurtzleben, Danielle. "2016 Campaigns Will Spend \$4.4 Billion On TV Ads, But Why?"

<sup>106</sup> Ibid.

<sup>107</sup> Ibid.

change in how campaigns spend on ads is slow. But there is one clear shift underway in national races: a move away from traditional broadcast ads and toward more targeted digital advertising.”<sup>108</sup>

This targeted digital advertising often utilizes big data that is gathered online and can give advertisers information about specific users, and can target someone based on their search history or their political party affiliation on Facebook.<sup>109</sup> “Obviously, social media of all kinds is going to be the future of political advertising,” says Lars Larson, a radio talk show host mentioned earlier in this paper.<sup>110</sup> “You’re likely to reach a younger audience with streaming and new forms of media.”<sup>111</sup> There has been a growth in online political advertising, and most researchers agree that this growth is only going to continue.<sup>112</sup> New growth in online political advertisements demonstrates that in addition to changes in laws and regulations mentioned early in this paper, the future of political advertising is also going to be impacted by new changes in technology.

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<sup>108</sup> Ibid.

<sup>109</sup> Fowler, Franklin, Franz, and Ridout. *Political Advertising in the United States*. 80.

<sup>110</sup> Lars Larson, interview by Haley Rivet, over the telephone, April 6, 2016.

<sup>111</sup> Ibid.

<sup>112</sup> Fowler, Franklin, Franz, and Ridout. *Political Advertising in the United States*. 80.

## Conclusion

The triangle that is media, politics, and money is complex and can be analyzed from all directions. Too often researchers focus on media's impact on politics through messaging and agenda setting, and forget to fully analyze the political system's impact on journalism. Presidential campaign advertising has a substantial impact on local broadcast news, and this impact is changing as laws and technology change. This change can be attributed to: FCC regulations for aide presidential candidates campaigns, the rise of super PACs and dark money groups, new ways for stations to remedy the crowding out of local advertisers, and difficulty of keeping journalistic integrity in the midst of all this political ad spending.

I explored this topic through primary and secondary sources including: general books on political advertising, scholarly and news articles that give the most recent data on the 2016 election, and interviewing contemporaries in the field. Through this I found the study of political advertising is vast and nuances of the industry are constantly changing. Political campaigns spend the majority of their advertising dollars on local broadcast news.<sup>113</sup> This could be because it is the most effective way to advertise, or because it is a tradition and candidates are too afraid to take a risk.<sup>114</sup> Either way, the role of television in election years is crucial and ad spending is increasing over time.

“As the rules have changes to enhance the role of parties and groups in political advertising, especially with fewer restrictions on fund-raising and disclosure for interest groups, the cost of competitive campaigns has risen above what it would be if candidates were the dominant political spenders.”<sup>115</sup>

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<sup>113</sup> Fowler, Franklin, Franz, and Ridout. *Political Advertising in the United States*. 36

<sup>114</sup> Kurtzleben, Danielle. "2016 Campaigns Will Spend \$4.4 Billion On TV Ads, But Why?"

<sup>115</sup> Fowler, Franklin, Franz, and Ridout. *Political Advertising in the United States*. 36



Changes in regulations have changed the impact on television ad revenues. The less regulated our country is with political ad funding, the more interesting the question of political advertising impact on television news will become. As laws change to allow more money to influence election advertising, we must think critically about who is delivering our messages and how to best analyze advertising in this context. The main trends and issues we see in presidential advertising in 2016 are lowest unit rate and the equal air time rule, the rise of super PACs and dark money groups, the crowding out of local advertisers and keeping journalistic integrity in the midst of all this political ad spending, all of which add to the changing climate that is campaign advertising today.

One thing is for certain, journalism is vital to a healthy democracy, and finding new funding models for the news industry is going to shape the future of our country. It is important to look critically at not only the way the media shapes our politics, but also at how politics and the money spent on campaigning impacts the media.

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